

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

This Document contains information affecting the National Defense of the United States, within the meaning of Title 18, Sections 793 and 794, of the U.S. Code, as amended. Its transmission or revelation of its contents to or receipt by an unauthorized person is prohibited by law. The reproduction of this form is prohibited.

SECRET

25X1

COUNTRY	Hungary	REPORT NO.	<input type="text"/>	25X1
SUBJECT	Labor Situation	DATE DISTR.	8 April 1953	
	25X1	NO. OF PAGES	4	
DATE OF INFO.	<input type="text"/>	REQUIREMENT NO.	<input type="text"/>	25X1
PLACE ACQUIRED	<input type="text"/>	REFERENCES		

THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
THE APPRAISAL OF CONTENT IS TENTATIVE.
(FOR KEY SEE REVERSE)

25X1

Shortage of Skilled Workers and Supervisory Personnel

1. The greatest problem in Hungarian industry was the lack of skilled workers and trained supervisory personnel. In 1952 the approximate number of industrial workers was 300,000 men and women. The Five Year Plan provided for an increase of industrial workers to 600,000 by 1954, with the additional manpower drawn primarily from farm labor through the increasing mechanization of agriculture. The assignment of agricultural workers to industrial enterprises was the main task of the State Manpower Economy Office (Országos Munkaerőgazdalkodási Hivatal), which administered all manpower matters. This office, located at József Attila Street 8, Budapest V, had branches in every county or administrative district, each branch consisting of nine administrative sections.
2. The government tried to overcome this industrial manpower shortage in the following ways:
 - a. By poster, radio, and newspaper propaganda urging young men and women from 13-18 years of age to sign up for apprenticeship in industry. Recruits were given room and board, uniforms and pocket money. At the end of two to three years of systematic theoretical and practical training in various trades, they were given certificates as helpers. The practical training took place in the morning and the theoretical instruction in the afternoon. At the end of 1951 Budapest and other cities were full of posters announcing the acceptance of apprentices in the iron and construction industries. The training of these apprentices was not very thorough because of the great hurry to put them to work.

SECRET

25X1

STATE	#X	ARMY	#X	NAVY	#X	AIR	#X	FBI		AEC									
-------	----	------	----	------	----	-----	----	-----	--	-----	--	--	--	--	--	--	--	--	--

(Note: Washington Distribution Indicated by "X", Field Distribution by "#")

SECRET

25X1

25X1

-2-

- b. By selecting promising industrial workers from among men and women who had worked as assistants to turners, locksmiths, mechanics, founders fitters, millers, drillers, and planers, etc. for special retraining (atkepzoesoek). The program lasted six months and was divided daily into mornings of practical training as assistants to skilled workers and afternoons of theoretical training. This method of increasing the number of skilled workers was not satisfactory, however, because six months of training proved to be inadequate to equip the workers for the skilled jobs with which they were entrusted. This caused considerable trouble in heavy industry, where production decreased and the number of rejected products increased alarmingly.
- c. By selecting skilled workers of workers' or peasant social origin, ideologically reliable and professionally promising, for training at the Red Academy (Voeroes Akademia) for supervisory and managerial positions in industrial enterprises
- d. By encouraging reliable and promising workers to take courses in evening technical schools in their respective fields. After the completion of these courses the graduates were given positions as technical experts, replacing old regime technicians and engineers. It was the government's policy to retain the old "bourgeois" technicians and engineers only as long as there was no new personnel to replace them.

Appointment of Supervisory Personnel

3. Supervisory and managerial personnel of enterprises had to be members of the Hungarian Workers' Party and of workers' or peasant social origin. In their positions in industry they also acted as agents of the regime. Appointments were made as follows:
- a. Such appointments to all industrial enterprises employing more than 5,000 persons were valid only if presented beforehand to the Party Central Committee and approved by the Central Party Control Committee. After these prerequisites, the appointments were made by the chief of an industrial production division of an industrial ministry, after due consultation with and approval of the minister.
- b. Appointments to managerial and supervisory positions in enterprises employing from 100 to 300 workers were controlled by Industrial Centers (Ipari Koezpont) independent of the ministry and not by the production divisions of a ministry. All appointments were made through the personnel sections of the Industrial Centers.
- c. In smaller enterprises, appointments to the positions of division chiefs, department chiefs, shop supervisors and section chiefs were made by the management of the enterprises. The Party secretary in the enterprise, who was also the trade union secretary, had the main say on candidates, in which he was guided mostly by the candidate's political reliability and Party loyalty. A candidate's technical qualifications were determined by the management and technical experts in the enterprise.

4.

25X1

SECRET

SECRET

25X1

-3-

25X1

Production Norms

5. All work in industry was done on the basis of production norms. Each worker was assigned to a definite collective contract category and was paid accordingly. A worker who did not fulfill his norm 100%, but only 95 or 90%, got only 80% of his pay, the so-called guaranteed base pay (biztosított alap). The factory had the right to compel the worker to fulfill the norm by assigning him more strenuous work.

Overtime Pay

6. Employees of government administrative organs, such as the State Planning Office and Ministries, and all administrative officials, were not entitled to overtime pay.
7. Supervisory personnel of all enterprises were obliged to maintain the wages fund assigned to factories. The wages fund was used for payments for overtime to workers, clerks, and office workers in the enterprises. The wages fund was so organized as to reduce overtime wages to a minimum.

Morale

- 25X1 8. Workers' morale was generally low. Workers were disillusioned, disinterested and indifferent. (fnu) SIMKO, director of the Materials and Goods Division of the Directorate of Metallurgical Works, say that workers did not pay any attention to Communist promises because they knew who would have to pay the bill.

SECRET

SECRET

25X1

-4-

The poor overtime pay did not encourage them to volunteer for extra work. In 1951 the government tried to encourage workers to over-fulfill their norms by selecting a few skilled workers and giving them every opportunity to excel in production. The selected workers were given the most modern machinery and were assigned the norms for the old, low-output machines. Their production under these conditions amounted to 140-180% of the established basic norms, but was counted as only 100% basic norms. As a result of this exploitation campaign, the basic norms were increased for all workers. Ordinary workers naturally never reached the fulfillment quota of the new norms, but they were glad if by their own ingenuity and skill they could at least assure their families a living by increasing their production. Although production increased, Szabad Nep propaganda started attacking slackness in work, saying that the slackers were cheating themselves and their fellow workers. This caused bitterness among the workers. The workers, who were earning only 50% of their previous wages for harder work, became discouraged. The plans were not overfulfilled.

Labor Conditions

9. In Hungary if a person was without work without good reason, he was subject to deportation. Men were obliged to work until the age of 65 and women until the age of 60. Migratory work no longer existed in Hungary when I left. A worker was bound to his place of work and could not leave without permission. A worker who left his job of his own choice lost his rights to a vacation. (After 40 years of service, a worker was entitled to as much as 28 days per year vacation.) He could get new work only after six months, and a week's vacation only after six months of work. In case of sickness, a worker who left his job of his own choice got only 60% of his salary in the new job. Women were used in hard physical labor just like men. They worked as daily wage earners in tool producing enterprises, shoe factories, cement factories, lime pits and the building industries. In Budapest there were women street sweepers, taxi drivers, streetcar conductors, police, women in the army, uniformed industrial apprentices, etc. With the abolition of ration cards in Hungary, heavy industry workers lost all special food privileges.

Forced Labor

10. [] in the beginning of 1952 there were about 500,000 persons under arrest in Hungary. These were mostly former industrialists, business men, traders, army officers, judges, lawyers, landowners, aristocrats, professors, intellectuals -- all denounced as opposing the regime or considered politically unreliable. [] because of the increasing number of persons arrested, the government was obliged to build new penal institutions and jails. These prisoners were assigned to forced labor in metallurgy plants, where they performed such jobs as loading and unloading iron ore, scrap iron, and coke. They also worked in limestone quarries and stone quarries, and excavated clay and gravel.
11. In the Spring of 1951 large posters were set up which invited workers to sign up for work in coal mines. They were promised tools, clothing and 400 forints in cash. Many farmers who were having a hard time signed up, but they were disappointed when they discovered how exhausting and difficult the work was in the mines. This caused mass desertions, and the deserting workers took the tools, clothing, and money with them. After this experience, the government stopped mass recruiting of coal miners. [] no direct knowledge of the use of forced labor in mines, but it is possible that most of it is used in coal mines.

SECRET